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NOVEMBER 2, 1964

INDIA'S FOOD GRAIN DEFICIT

EASTERN EUROPE HARVESTING BIGGER CROPS THIS YEAR

COMMUNIST CHINA'S COTTON

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

NOVEMBER 2, 1964

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Weighing food grains in one of India's fair-price food shops where some 50 million people buy at subsidized prices. See article on the opposite page.

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India's Food Grain Situation

India's current food shortage is recognized by the new government to be the country's No. 1 problem. This article reviews the food grain deficit, and next week another article will deal with fats and oils.

Punjab farmer checks his wheat

By HORACE J. DAVIS
U.S. Agricultural Attaché, India

Over the past 3 years, food grain production in India has remained virtually stagnant while population during the same period has increased by about 33 million people. This disparity between population growth and food grain production coupled with an increase of more than 30 percent in the amount of money in circulation has resulted in a sharp rise in food grain prices at both wholesale and retail outlets.

The Shastri Government which came into power early in June of this year was quick to recognize the magnitude and significance of India's unsatisfactory food situation. It was acknowledged to be the No. 1 problem facing the new government. Accordingly, India's Minister of Food and Agriculture, C. Subramaniam, is instituting many measures of both short and long range to improve the distribution of available food grains and to boost domestic production.

Output since Independence

Food grains taken collectively—that is, all of the cereal grains plus dried beans and peas—are grown on about 280-285 million acres, or 75 percent of India's total harvested area. At the time of Independence in 1947, output was ranging between 52 million and 53 million metric tons a year. Production rose rather rapidly during the first two Five-Year-Plan periods and reached 81 million tons in 1960-61, which was the last year of the Second Plan. Then for 2 years it remained unchanged but in the past 2 years dropped to below 80 million tons.

Comparing current levels of production with those at the time of Independence, the average annual increase over the 17-year period is only about 1.6 million metric tons. About half this amount has resulted from increased acreage; the rest, from higher yields. In the future, since there is now relatively little unused land suitable for cultivation, greater output must come from higher yields per acre and by producing two or even three food grain crops per year on the same fields.

India has been a net importer of food grains each year since Independence. From 1947 through 1950, imports averaged about 2.8 million metric tons per year; from 1951 through 1955 they were 2.5 million tons; from 1956 through 1960, 3.5 million tons; and in the first 3 years of the Third Plan, 1961-1963, they were up to 4.0 million tons.

From this, it seems evident that food grain imports will continue to increase during the next few years. However, despite this upward trend in imports, they still represent only 4 or 5 percent of total supplies. Also, as the following figures show, the annual per capita gross availability of food grains has been going down.

Crop season July-June	Domestic production	Imports	Total
	Kilograms	*Kilograms*	*Kilograms*
1959-60	177	10	187
1960-61	184	11	195
1961-62	179	8	187
1962-63	170	10	180
1963-64	167	11	178

Current supply/price situation

The present food grain supply/price situation has been developing over the past 2 or 3 years; however, it was not until early 1964, when the extent of the crop damage caused by the usually dry and cold winter became known, that the seriousness of the food grain situation was fully realized. During the past several months, prices of food grains and pulses have risen sharply, reaching record levels in Uttar Pradesh, Bihar, Maharashtra, Gujarat, and Kerala States. Serious shortages in supplies in retail outlets, including fair-price food shops, have been reported from various places.

The price of imported wheat and rice is controlled at

both wholesale and retail outlets, and the same applies to the relatively small part of the domestically produced rice crop which is procured by the government and sold through government-controlled fair-price food shops. Domestically produced wheat and rice (other than that procured by the government) is sold through free market channels where supply and demand govern prices. A study of the available official price indices shows that wholesale prices of rice in India as a whole rose about 21 percent during the first 8 months of 1964 and that those of wheat went up about 10 percent.

A noteworthy development in the food grain price picture in recent months has been a widening of the gap in the prices of various indigenous food grains among the different States as a result of the zonal system. For example, the price of wheat in surplus-producing Punjab State declined considerably after the last spring harvest, as that wheat cannot be exported to other States; in Gujarat State and other deficit areas, which have been cut off from their normal sources of supply, wheat prices have increased sharply, despite large releases of government-owned wheat.

What has caused current situation

Probably the primary cause of the present imbalance between supply and demand of food grains is the fact that production has not kept pace with the rapid rise in India's population. In the 3 years from 1961 to 1964, India's population increased by 33.8 million persons, but in that same period, its food grain output averaged 1.3 million tons less than in 1961. Part of the effect of this decline in domestic output is being overcome by increased imports and by using reserve stocks held by the Central and State Governments.

Important too is the overall inflation situation in India, stemming largely from a substantial increase in the money supply in the past few years. This reflects both an increase in government expenditures (including defense and development outlays) and an increase in bank credit to the public and private sectors, which have caused incomes to rise without corresponding increases in the supply of consumer goods. While fiscal and monetary measures are being taken by the government to counteract this trend, in the long run the only answer to inflation is a substantial increase in the supply of consumer goods, particularly food.

A third factor in the food grain supply/price problem is hoarding among the larger producers, merchants, and consumers. With more money in circulation and consequently greater purchasing power, grain has been withheld from retail outlets in anticipation of higher prices; at the same time, many consumers are buying abnormally large quantities of grain at high prices as a hedge against limited supplies and still higher prices in the future.

As mentioned earlier, the zonal boundaries established by the Indian Government and the State Governments limit the free movement of supplies from surplus to deficit areas. Most of the senior officials in the Ministry of Food and Agriculture now seem to agree that the establishment of food zones was a mistake, and it is anticipated that they will be abolished early in 1965 before the arrival of the next harvest.

Another factor bearing on the situation is the rapid developments that have occurred in the poultry industry and to a lesser extent in the dairy industry. These have been accompanied by the starting up of a commercial mixed-feed industry which has resulted in a sharp increase in the quantity of cereal grains and grain by-products being used for livestock feeding.

Food grain stocks being lowered

From the time of Independence until the signing of the multi-year 17-million-ton P.L. 480 agreement with the United States in May 1960, food grain stocks held by the Central and State Government usually ranged from 0.5 million to 1.5 million metric tons. Then, soon after the signing of the agreement, these stocks increased rapidly and ranged between 2.5 million and 3.0 million most of the time until the end of 1963. However, since January of this year, monthly withdrawals from government stocks have exceeded monthly receipts and this has led to a rather rapid reduction in government-held stocks.

As of July 1964, government stocks of food grains totaled 1.5 million tons, the lowest mid-year level since 1957. These included 850,000 tons of rice and 650,000 tons of wheat. For the rest of the year they are expected

Unloading U.S. wheat in Bombay

to remain very low; in fact, the Indian Government expects to continue its present procedure of releasing all imported food grains into consumer distribution channels as soon as they arrive.

Remedial measures planned

To work improvement in India's perennial food-deficit problem, the Minister of Food and Agriculture is instituting many short- and long-term measures. The principal short-term measures embarked upon by the government in the past several weeks are:

- Stepped-up imports of food grains, primarily wheat from the United States under Title I, P.L. 480.
- Increased number of fair-price food shops in areas of high prices and deficit supplies. The wheat and rice distributed through these shops are sold to consumers at subsidized prices.
- Introduction of a uniform licensing control of food grain dealers throughout the country.
- Introduction of controls over the production of roller flour mills in most States. Under this program the flour mills hand over to the State Governments their manufactured products for distribution through State-controlled outlets.
- Introduction of a modified rationing scheme in several States and urban centers. Under this plan low-income families are issued family ration cards which entitle them to specified quantities of food grains at the fair-price shops.
- The removal of intra-State and inter-State restrictions on the movement of coarse grains and some pulse crops. (As mentioned earlier, it is probable that the zonal boundaries which control the movement of wheat will be abolished in 1965.) Also, the removal of restrictions on inter-State movement of rice and paddy in the Southern Food Zone.
- Requirement by State Governments that producers, dealers, and consumers declare their stocks of food grains if they are above specified levels.

Of the long-term measures planned, the principal ones are: (1) establishment of a committee to develop a pricing program which will specify prices to be paid to producers, wholesalers, and retailers of food grains; (2) establishment of a government-owned Food Grain Corporation, which will be responsible for implementing the price support program and which is expected to purchase between one-fourth and one-third of the marketable grain surplus, this in turn to be released as necessary in food-deficit areas; and (3) increased production and use of chemical fertilizers and plant protection chemicals.

Imports will still be needed

Even with these measures, the outlook for the next few years is that domestic production of food grains will fall considerably below requirements and that food grain imports will be even higher than in recent years. This appraisal is based on the assumption that the availability and proper use of production requisites—such as the increased use of fertilizers, expanded irrigation facilities, better seed, improved cultural practices, and credit facilities—will not be sufficiently widespread to permit a large enough increase in production to meet the country's domestic requirements. Also, weather conditions will continue to be a key factor in determining the level of food grain output.

More encouraging are the long-term measures adopted by the new government. Every effort is being made to increase the availability and proper use of the necessary inputs; however, it will take several years to create the industrial base necessary for increasing the supply of these inputs and to train Indian farmers to use them effectively.

Cotton Production in Communist China Trending Upward

Mainland China's 1964 cotton crop looks considerably better than last year's; production promises a gain of about 23 percent, to 5.7 million bales. With better than normal weather, yields have risen; but the total investment of land in cotton, while slightly above last year's, is still well below the level of 1957-59.

MAINLAND CHINA'S COTTON CROP, 1960-64

Year	Acreage sown [1]	Yield [2]	Production [3]
	1,000 acres	*Pounds per acre*	*1,000 bales* [3]
1960	13,100	227	6,200
1961	9,100	216	4,100
1962	8,600	234	4,200
1963 [4]	10,300	219	4,700
1964 [4]	11,000	249	5,700

[1] Based on reports in Chinese provincial press and radio. [2] Revised estimates. [3] 480 lb. net. [4] Preliminary.

Moisture conditions at the time of sowing were satisfactory, though the prolonged rainfall and the accompanying low temperatures obviously did not favor good germination. There were no reports of drought during the growing period. Some areas in North China had excessive rainfall in July and August, but there were no floods like 1963's. In August, a Ministry of Agriculture spokesman stressed the normal growth of cotton plants in all major areas and the increased number of plants in most.

Press and radio reports from Communist Chinese provinces have now made possible a nearly complete picture of the trend in the country's cotton acreage since 1960. A moderate reduction in 1960 was apparently followed by a radical one in 1961; peasants devoted most of their efforts to making up for the extremely poor grain harvest of the year before, and gave their cotton crops a very low priority. In 1961, there was a further but much smaller decline. But in 1963, as the food situation improved, more attention could be paid to cotton and acreage rose considerably. In 1964 it continued to rise, though less rapidly.

For production, too, newer reports fill in gaps in the story of the past 5 crops. Yields from 1960 on have apparently been somewhat lower than earlier reports indicated, and production figures have been lowered accordingly.

All reports, including those from travelers, say that textiles are still tightly rationed, and actual consumption is believed to be only a little over 2 yards per person annually. Carryover stocks are still extremely low. Mills are believed to be operating far below capacity, though Shanghai mills reportedly planned to increase the number of shifts in October as supplies of cotton from the new crop became available.

Crops growing in fields near Prague, Czechoslovakia. Production of wheat in this and other countries of Eastern Europe is expected to continue poor this year. Imports of wheat should therefore be large again during 1964-65.

Eastern Europe Harvesting Bigger Crops This Year

Crop production in the Soviet Union has made a good comeback from the disastrously low 1963 outturn, while that in the other East European countries is about average. However, collectivization continues to impose serious restraints on agricultural output in the USSR.

Small grains—the main crops to suffer in 1963—will be up substantially in the Soviet Union but below average in most other East European countries. Root crops have been generally good, as have cotton and sunflower in the Soviet Union. Any grain crop increases, however, will probably go into increased feed, improved food consumption, and stock rebuilding rather than export channels.

A good year for the USSR

Although Soviet production got off to a bad start this year, with dry weather and winterkill causing losses in winter grains, the unusually good outturn of spring crops has more than recouped any early season setback. In fact, this year is shaping up as one of the best in the Soviet Union since the bumper production of 1958, which was followed by a number of mediocre harvests, culminating in the disastrous one of 1963.

Contributing to the increase in spring crops were the record or near-record plantings; increased use of fertilizer and, to some extent, herbicides; good moisture conditions in a number of major spring grain areas, especially in the Virgin Lands; and late summer rains, which greatly aided late crops (corn, sunflowers, and sugarbeets) in the European USSR. However, excessive rains in some regions caused lodging of grain and interfered with the harvest.

Most impressive gains will be in sugarbeets and sunflowers. Increases in these have been attributed to larger plantings and high yields. The sugarbeet area is reportedly 1.2 million acres above last year's and the sunflower area, about 500,000 larger. The cotton area "increased somewhat," and conditions favor a crop near last year's record.

This article was prepared in the East European Branch of the Foreign Regional Analysis Division, ERS.

Bread grains, too, have recovered from last year's low and are unofficially estimated to be at least as good as the average for 1959-62—a period when the Soviet Union was a substantial exporter of grain.

The government is making an intensive effort to procure every available bushel of grain from the countryside. The fruits of this stock-building campaign became known around mid-September when the Soviet press announced that as of September 10 state grain procurements exceeded those during all of 1963 (44.8 million metric tons). By the end of September, procurements reportedly were "larger than in any past year" (previous high being 56.6 million tons in 1962), and as of October 10, those in Tselinny Kray, the main Virgin Lands region, were the second largest on record. The increased procurements will help to build up the depleted stocks.

Soviet officials have claimed that state procurement goals for most major commodities will be achieved this year. The magnitude of the goals casts doubt on this assertion, despite the generally favorable crop outlook.

Smaller Polish grain crop

Poland's 1964 grain harvest will be somewhat smaller than the above-average 1963 crop. Although wheat and rye came through the winter in a much better condition than in 1963, dry hot weather during the spring and summer reduced yields of these and other grains. Winter grain yields are expected to be about 5 percent less than in 1963.

Some of this decline in yields may be offset by the increased area of wheat and rye, but total outturn of the four major grains probably will be somewhat less than the average of 14.3 million metric tons during 1959-63.

Winterkill and early spring flooding damaged nearly one-fourth of the rape crop; however, the increased acreage should keep production up—probably to slightly below the 1963 level.

Rain during the last part of the growing season improved the outlook for root crops, with near-record yields of potatoes and sugarbeets expected.

This year's disappointing grain crop, plus increased hog numbers and higher human consumption, will serve to keep the gap between production and consumption of grains. Grain imports (mainly wheat) are expected to continue in the range of 2½ to 3 million metric tons during 1964-65.

The United States has been supplying a large share of these wheat imports, accounting for 902,400 metric tons during the first half of 1964. This trade has followed the trend of increasing U.S.-Polish dollar trade, with Poland buying 336,300 of the above amount for dollars. (Under current arrangements, Poland has agreed to buy commercially about $30 million worth of U.S. agricultural commodities, or about one-half the value of 1964 P.L. 480 Title I agreements.)

In 1963, Poland concluded a 3-year agreement with Canada for the import of 1.2 million metric tons of wheat, and in 1964, it concluded a similar one with France.

Another poor year for Czechoslovakia

The grain crops in Czechoslovakia are likely to be disappointing again this year, with total production expected to drop below the annual average of about 5.7 million metric tons.

Although winter grains (wheat and rye) were in better condition in the spring of 1964 than a year earlier, yields were reduced by summer drought, and heavy rains during the harvesting season increased losses in the field. Any drop in yields is a blow to total output, as the grain area in Czechoslovakia has been declining steadily since the end of World War II. Root crops have fared better than grains, their outturn expected to be nearly as good as in 1963.

Like Poland, Czechoslovakia will import about the same amount of grain as in 1963-64. This would be around 2 million metric tons, mainly of wheat.

More than half of Czechoslovakia's imports are normally supplied by the USSR, but Canada has also become a large source. Under a 5-year agreement concluded in October 1963, Czechoslovakia will import a total of 1.2 million metric tons of wheat from Canada, of which 350,000 have already been imported in 1964 and 300,000 to 400,000 are scheduled for 1965.

Limited progress in East Germany

Agricultural production in East Germany appears to be as good or slightly better than last year's. Thus the slow progress which followed the sharp drop in production after the completion of collectivization in 1960 is continuing.

The area in grain crops appears to have remained stable, and total grain production probably will be about the same as last year. Dry weather during the summer resulted in early maturing of many grain crops with some reduction in yields.

Oilseeds, which did very poorly last year, should be better in 1964. The potato area appears to be about the same as in the last 2 years, but production probably will be down slightly. Sugarbeet production, which was low in 1961 and 1962 but relatively high in 1963, will probably be down somewhat again this year. Limited feed supply probably will restrict increases in livestock production in 1964.

Corn up, wheat down in Danubian countries

The Danubian countries—Hungary, Rumania, Bulgaria, and Yugoslavia—experienced unfavorable growing conditions for winter grain for the third successive year. Moisture reserves at planting time last fall were low, and snow cover during the winter was scanty. This was somewhat mitigated by increased use of fertilizer, improved seed, and mechanization, but extremely hot weather in June severely reduced quality throughout much of the region.

Wheat production in Rumania is estimated to be somewhat below last year's, while that in Hungary is near average and about 30 percent above 1963-64's. The Yugoslavs have officially estimated that the wheat crop is 10 percent below last year's; and in Bulgaria, insects and drought are thought to have reduced the wheat crop below the less-than-average outturn of the previous year.

On the other hand, production of corn—principal crop in the Danubian countries—is estimated to be above the good outturn of the previous year, especially in Yugoslavia and Hungary.

It appears that imports of wheat will be necessary in all countries except Rumania in 1964-65. While the import requirements in Hungary will be less than in 1963-64, those in Yugoslavia and Bulgaria are likely to be larger.

Rumania is expected to export about 1 million tons of corn in 1964-65. In spite of Yugoslav optimism about the corn crop, there have been official statements that there will be no corn exports from that country.

Sugar production in the Danubian countries is expected to increase again in 1964-65, as both area and yields of beets are up in most countries; and the output of sunflowerseed in these countries may be up somewhat.

Excessive precipitation in May and abnormally hot weather in June indicate a below-average fruit crop. The area sown to vegetables is thought to have increased slightly.

U.K. Exempts Farm Products From New Tax

Foodstuffs, unmanufactured tobacco, and basic raw materials will not be subject to the 15-percent surcharge the United Kingdom has imposed as one of the new Labor Government's short-term measures to cope with the country's international payments deficit.

Since the three classes of items excluded from the import surcharge cover all U.S. agricultural exports to Great Britain, the measure will have no effect on that $450-million market for U.S. farm products.

Commenting on the British action, a U.S. Department of State spokesman welcomed the speed and vigor with which the new government is attacking both the balance of payments problem and the underlying economic situation in the United Kingdom.

The U.S. Government, he said, while regretting that the situation is such as to cause the British to feel the import charges necessary, is reassured by their nondiscriminatory nature and by the promise that they will be strictly temporary.

He added that the U.S. Government is satisfied these charges will in no way hamper the wholehearted cooperation of the British Government in the Kennedy Round of tariff negotiations now going on in Geneva. Further, he expressed the U.S. Government's readiness to cooperate in any way that it appropriately can with the British Government in handling these problems.

U.S. Food Firms Invited To Participate in First Processed Food Show at Tokyo Trade Center

A campaign to introduce the full range of U.S. processed foods into the promising Japanese market will be launched with a promotional event at the U.S. Trade Center in Tokyo, March 8-19, 1965.

The Grocery Manufacturers of America, Inc., will cooperate with the Department in sponsoring the exhibit. U.S. food firms are invited to take part.

The exhibit will offer U.S. food processors and their Japanese agents an opportunity to display and demonstrate brand-name processed and packaged food products of all types. Eligible are all canned, dried, frozen, glasspacked, and drypackaged products, including gourmet and specialty items, produced from U.S. ingredients.

The exhibit will take up two floors of the Trade Center, which occupies a business building in the heart of commercial Tokyo. There will be no charge for display space, but every firm will pay the cost of transporting its products and will be expected to have either a U.S. representative or Japanese agent of the firm present during the exhibit. Company representation, according to the U.S. Department of Agriculture, is essential to assure that interest aroused by the exhibit leads to fruitful business contacts with Japanese trading firms and in many cases the actual placing of orders for U.S. products.

In addition to displays by individual firms, the Grocery Manufacturers of America will sponsor a booth containing a special display and demonstration of some of the newer specialty and gourmet-type foods being offered by the U.S. grocery industry.

Firms that wish to introduce their lines in the Japanese market, but do not want to provide products and a personal representative for this show, may supply information about their products to be included in a catalog of U.S. processed food that is to be distributed to the Japanese trade during the exhibit.

Admission to the Center is to the trade only, by invitation. The Trade Center management maintains an invitation list of more than 20,000 Japanese tradesmen potentially interested in U.S. agricultural products. In addition, any participating firm may supply names of firms to which it wishes invitations to be extended.

This will be the first full-scale promotion of U.S. processed foods in Japan. High employment and high consumer purchasing power is rapidly improving the diets of Japan's people. The nation's gross national product grew 16.7 percent during the Japanese fiscal year which ended March 31, 1964. The growing percentage of working women in Japan has brought new interest in convenience, according to the U.S. Department of Agriculture.

Information on the Tokyo processed food exhibit and copies of the official participation agreement have been mailed to several hundred U.S. food manufacturers, processors, and distributors who have either taken part in previous overseas exhibits or have expressed interest in them. The deadline for receiving filled-out participation agreements is Dec. 31, 1964.

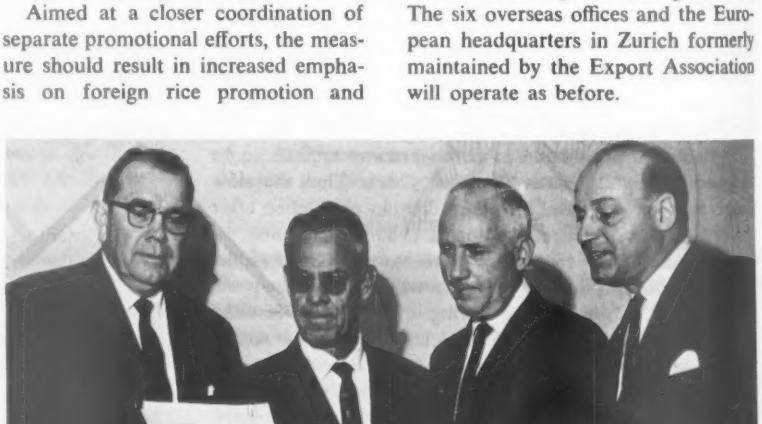
Firms that have not participated in past USDA promotions of this type and are now interested in receiving the participation agreement form should address inquiries to the Grocery Manufacturers of America, Inc., 205 East 42nd St., New York, N. Y. 10017. GMA is handling these arrangements for USDA, but firms are not required to be GMA members to participate.

Rice Council To Direct Foreign and Domestic Rice Promotion

Both foreign and domestic promotion of U.S. rice will now be handled by a single organization, the U.S. Rice Council for Market Development, which heretofore has devoted itself to promoting rice consumption in this country. Rice industry officials authorized the move early this month at a special meeting in Houston, Texas.

Aimed at a closer coordination of separate promotional efforts, the measure should result in increased emphasis on foreign rice promotion and broader industry participation in foreign sales development, according to Council President L. C. Carter.

The Rice Council supersedes the U.S. Rice Export Development Association as the FAS cooperator in foreign market development, and will administer overseas activities from an office to be set up in Washington, D.C. The six overseas offices and the European headquarters in Zurich formerly maintained by the Export Association will operate as before.



At conference in Houston: (l.-r.) L. C. Carter, U.S. Rice Council president; M. W. Mauritz, Rice Export Development Association president; Raymond R. Vickery of FAS; J. L. Alioto, Calif. Rice Export Development Corporation.

Record 1964 Exports Assured For Purebred U.S. Holsteins

Exports of registered U.S. Holsteins are heading for a record in 1964 that will exceed all previous highs by a wide margin. At 1,527 head, sales during the first 9 months have already topped the former 1957 record by 91 head and 1963's totals by 186 head.

U.S. Holsteins went to 28 countries, including Uganda for the first time. Of the principal markets for U.S. Holsteins, exports increased to Mexico, Venezuela, Dominican Republic, Italy, Jamaica, and Japan.

Mexico continues to be No. 1 customer, buying 679 Holsteins since this past January, up 5 percent from the same period a year ago. Key factor in the increase has been a new Mexican law prohibiting the import of other than registered cattle except by special permit—a ruling which stemmed in large part from U.S. market development efforts by FAS and the Holstein-Friesian Association.

U.S. promotion was also instrumental in higher purchases by No. 2 customer, Venezuela, where the emphasis has been on convincing breeders of the advantages of registered Holsteins over locally grown crossbreds.

Irish Boost Bacon in Britain

Irish bacon—with the identifying shamrock trademark—will be promoted in Scotland for the first time, according to a recent announcement from Ireland's Ministry of Agriculture, which granted $112,000 for this purpose to the Pigs and Bacon Commission.

Scotland was chosen as the jumping-off point for the campaign—first ever undertaken to promote Irish bacon anywhere in Britain—because of Scottish housewives' traditional preference for Irish bacon and because of the strong cultural and political links between the two areas. Also, Scotland, being compact, affords a relatively low-cost area in which to advertise.

Great Britain is Ireland's No. 1 market for bacon and pork products, taking $18.6 million worth in 1963. However, the Irish feel that promotion in this market is becoming increasingly important in view of the $2.8 million spent each year by Denmark, and the $280,000 by Northern Ireland for advertising and promotion.

Pizza Show Scores at Tokyo Trade Center

The enthusiastic response of Japanese tradesmen at a recent 1-day promotion of American pizza—being sampled and prepared above and left in the Tokyo Trade Center—characterizes the usefulness of such Centers in introducing U.S. products abroad.

According to George I. Purdy, president of the Tokyo office of the International Pizza Company, "Such a facility as offered by the U.S. Trade Center is invaluable...We hope to avail ourselves of its use again."

The show promoting pizza was scheduled just after a 3-week U.S. soybean show, pointing up the versatility and adaptability of the Center for all types of agricultural products promotion and selling.

Japanese Department Store Features U.S. Leather Goods

A 1-week exhibit and sale of leather products made from U.S.-produced hides and skins recently attracted 25,000 people at Tokyo's Isetan department store. The exhibit, held in cooperation with the All-Japan Leather Association (which promotes leather with FAS in Japan), grew out of the consumer and trade interest generated by last February's U.S. Leather Show at the Tokyo Trade Center.

Two Exhibits in United Kingdom Mark Big Month for U.S. Food Promotion

At Birmingham—R.N. Anderson, U.S. Agricultural Attaché, shows U.S. turkey to TV star Beryl Reid.

At London—G. A. Harvey (l.), U.K. distributor for Dole Corp., shows his display to R.G. Asher, Brodies Ltd., ships stores caterers.

Promoters of American foods last month focused on their second largest overseas market, the United Kingdom, with exhibits at the London Trade Center and at the Ideal Home Exhibition in Birmingham. Each was aimed at a different group of buyers and both succeeded in stirring increased interest in American foods.

The Trade Center exhibit (October 5-16), sponsored by the Grocery Manufacturers of America in cooperation with FAS, drew tradesmen from all over Britain. Some 600 food items, many new to the U.K. market, were promoted by the 107 U.S. food firms represented. At the official opening, Mrs. Dorothy Jacobson, Assistant Secretary of Agriculture for International Affairs, called attention to the high quality, tastiness, and dependability of U.S. foods.

During the month-long Ideal Home Exhibition, an estimated 300,000 consumers sampled and bought U.S. poultry products, rice, raisins, prunes, soybeans, cranberries, and citrus.

U.S. Feeder Cattle Spotlighted at Bari Fair

U.S. agriculture's exhibit at the Levant Fair in Bari, Italy, September 10-25, met interested response from Italian consumers and tradesmen alike, report the four U.S. cooperators which participated in the eastern Mediterranean's most important trade show.

Most unusual feature associated with the U.S. exhibit was the showing and sale of 50 U.S. feeder cattle. Hereford and Angus calves—joint donation of U.S. Feed Grains Council and FAS—were presented to Italian 3-P Clubs (similar to American 4-H Clubs) on Farm Youth Day.

Up to 4,000 visitors moved hourly through the U.S. pavilion which featured exhibits of U.S. poultry, feed grains, soybeans, and animal fats. There was particularly heavy selling of turkey sandwiches and barbecued chickens, and sampling of potato pops fried in 60-percent soybean oil.

The International Trade Development Committee of the U.S. poultry industry reported over 500 tradespeople attended their special demonstrations. Hundreds of trade queries were received by the U.S. Feed Grains Council and National Renderers Association about balanced feed rations, and by the Soybean Council on prices and suppliers of soybean oil and meal.

Italian Premier Aldo Moro (r.) hears U.S. Feed Grains Council staff member explain operation of a feed lot during his tour of the USDA pavilion on opening day at the Bari Fair.

Egypt's Rice Exports Show Dramatic Gain

Egypt's exports of rice in 1963 totaled 380,300 metric tons—236,500 tons, or 61 percent, above those in the previous year.

Most of the increase was in shipments to the USSR, Cuba, and other countries of the Soviet Bloc—which now takes about half of Egypt's rice exports. Exports to the USSR, at 82,600 metric tons, were 54 percent above those in 1962. Exports to Cuba were 30,100 tons as compared with none in the previous year.

Gains also occurred in exports to West Germany, Jordan, and Finland.

Egypt's exports of rice have been on an upward trend since 1959. Apparently Egypt is helping to fill the shortage of rice in Eastern Europe which was caused by the loss of China as a major source.

EGYPT'S RICE EXPORTS

Country of destination	1960	1961	1962	1963
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
EEC countries:				
Belgium-Luxembourg	0.7	2.4	1.2	0
Germany, West	23.4	18.1	9.2	32.7
Italy	.3	.5	0	8.5
Netherlands	1.0	3.8	.1	7.8
Total	25.4	24.8	10.5	49.0
Communist countries:				
Cuba	41.0	27.1	0	30.1
Czechoslovakia	1.8	24.0	16.6	23.5
Germany, East	.8	5.0	6.5	12.6
USSR	4.6	0	29.1	82.6
Yugoslavia	10.0	0	2.4	17.1
Other countries	0	.1	[1]7.8	[2]32.9
Total	58.2	56.2	62.4	198.8
Finland	1.8	0	4.0	10.2
Gaza	2.7	3.2	2.4	4.2
India	107.6	29.7	0	0
Indonesia	0	10.0	31.1	16.6
Jordan	10.4	13.3	6.3	15.9
Lebanon	13.0	14.6	7.1	16.6
Sudan	2.0	3.2	1.0	2.9
Other countries	[3]58.8	48.0	19.0	66.1
Total	279.9	203.0	143.8	380.3

[1] Includes 1,500 metric tons to Hungary; 500, Bulgaria; 2,800, Poland; 3,000, Rumania. [2] Includes 4,000 tons to Hungary; 2,600, Bulgaria; 7,100, Poland; 19,000, Rumania. [3] Includes 39,300 tons to Pakistan.

Compiled from official sources.

Canadian Exports of Wheat and Flour Double

Canada exported 112 million bushels of wheat and flour (grain equivalent) to all destinations in the first 2 months of the 1964-65 fiscal year. This more than doubled the 55 million bushels of wheat and flour leaving Canadian ports during July-August 1963.

Almost 68 percent of the current total was exported to Europe. Over 45 million bushels of wheat and flour went to the Eastern European countries—approximately 62 percent to the USSR and 38 percent to other Soviet Bloc countries. Almost 4 million bushels more went to Cuba under Soviet sponsorship during the same period.

Exports of wheat and flour to the Asiatic countries were 89 percent higher in July-August 1964 than in July-August 1963. Of the 25 million bushels destined for this area, over half, or 14 million bushels, went to Communist China. Another 7 million bushels were destined for Japan.

A detailed table and analysis appears in the October issue of *World Agricultural Production and Trade: Statistical Report.*

Argentine Grain Exports Climb

Argentine grain exports increased by 53 percent to 1.5 million metric tons in July-August 1964 from 975,000 in the same period of 1963. All grain exports showed a substantial increase, except those of sorghum which were off by 8 percent. Corn and wheat were the major grains exported and accounted for 56 and 28 percent, respectively, of the total. Italy was the largest market for total grains during this period.

A detailed table and analysis is now available in the October issue of the *World Agricultural Production and Trade: Statistical Report.*

U.S. Rice Exports Decline

U.S. rice exports in August 1964, at 35,700 metric tons milled equivalent, were 8,100 tons below those of August 1963. The principal decline was in exports to the Western Hemisphere. Declines were also shown in shipments to most of the Asian and African countries.

However, these decreases were partially offset by increased exports to the European countries, particularly to those in the EEC.

A detailed table and analysis appears in the October issue of *World Agricultural Production and Trade: Statistical Report.*

U.S. Feed Grain Exports Continue Upward Trend

U.S. exports of feed grains for July-August 1964 totaled 2.6 million metric tons—up 20 percent from the same period a year earlier. Corn and sorghum were the leading feed grain exports, accounting for 95 percent of total shipments. The major markets for combined feed grains were Japan and the Netherlands.

A detailed table and analysis is now available in the October issue of the *World Agricultural Production and Trade: Statistical Report.*

U.S. Exports of Wheat and Flour Increase Slightly

U.S. exports of wheat and flour (grain equivalent) totaled 112 million bushels during the first 2 months of the 1964-65 fiscal year, an increase of less than 1 percent over shipments for the same 2 months of the previous fiscal year.

This gain was brought about largely by greater shipments to countries in the Western Hemisphere, particularly to those in the Bermuda-Caribbean area and in South America. Exports to Europe were somewhat higher, but those to other parts of the world were significantly less.

Of the EEC countries only France and Italy took more

wheat and flour this year. Amounts going to Belgium-Luxembourg, the Netherlands, and West Germany were substantially less. Exports to the other Western European countries were less than half those for the previous year.

The trend in Eastern Europe, however, was just the reverse. Large amounts—almost 8 million bushels—went to Yugoslavia, compared with less than 4 million last year.

It is anticipated that U.S. exports of wheat and flour will reach 178 million bushels by September 30, 1964, as compared with 171 million bushels in the first 3 months of the 1963-64 fiscal year.

A detailed table and analysis appears in the October issue of *World Agricultural Production and Trade: Statistical Report.*

Australian Meat Shipments to the U.S.

Five ships left Australia during September with 10,617,600 pounds of beef and 288,960 pounds of mutton for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Arcadia ---------- Sept. 9	San Francisco	Oct. 10	Beef	22,400
Cap Frio ----------	Seattle	([2])	Beef	6,720
Sept. 21	Tacoma	Oct. 8	Beef	741,440
	Los Angeles	15	Beef	777,280
	San Francisco	17	Beef	1,205,120
Kristin Bakke ----	Seattle	Nov. 13	Beef	165,760
Sept. 22	Tacoma	14	Beef	22,400
	Portland	16	Beef	107,520
	Los Angeles	23	Beef	1,496,320
	San Francisco	28	Beef	235,200
Mariposa ----------	San Francisco	Oct. 11	Beef	174,720
Sept. 24	Los Angeles	16	Beef	174,720
	Gulf and Eastern ports			
Baltic Sea -------	Norfolk	([2])	Beef	58,240
Sept. 15	Houston	Oct. 9	Beef	318,080
	New Orleans	11	Beef	277,760
	Tampa	13	Beef	1,240,960
	Philadelphia	19	Beef	770,560
			Mutton	64,960
	New York	21	Beef	2,284,800
	Boston	26	Beef	537,600
			Mutton	224,000

[1] Cities listed indicate location of purchaser and usually port of arrival and distribution area, but meat may be diverted to other areas for sale. [2] To be transshipped.

U.S. Livestock Product Exports Continue High

Exports of practically all U.S. animal products in the first 8 months of 1964 showed gains over the previous year.

Shipments of animal fats were at record levels. Most of the lard has been exported to the United Kingdom; however, Bolivia and Yugoslavia have each taken significantly more in 1964.

Tallow and grease exports will likely set a record in 1964. South American countries have taken nearly 2½ times as much as they did in the same period last year; EEC countries increased their buying by one third; and the USSR and several other Eastern European countries have taken considerably more U.S. tallow.

Beef and veal exports practically doubled on the strength of increased sales to Canada, Israel, Jamaica, Bahamas, Surinam, the United Kingdom, Netherlands Antilles, British Guiana, West Germany, and the Netherlands.

Pork exports have been running at a slower pace in recent months, but heavy exports in early 1964 have kept the total for the year higher than in the previous year. Canada has been the largest buyer; however, most of the gain can be attributed to exports earlier in the year to the Netherlands, Belgium, France, West Germany, Japan, Poland, and East Germany.

Variety meat exports continued ahead of the previous years, both for the month of August and for the year as a whole. The major markets continued to be the European Common Market and the United Kingdom.

Exports of both natural casings and mohair continued to run well below the previous year's. Shipments of cattle hides continued at record levels during August and for the year as a whole.

Cattle exports had reached nearly 50,000 head by the end of the first 8 months with most of them going to Canada.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
(Product weight basis)

Commodity	August		January-August	
	1963	1964	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	64,798	46,322	368,933	474,617
Inedible tallow & greases [1]	137,249	202,293	1,245,521	1,709,367
Edible tallow & greases [2]	1,162	1,545	7,652	9,625
Meat:				
Beef and veal	2,677	3,124	16,003	29,514
Pork	6,528	5,926	82,359	106,206
Lamb and mutton	42	23	631	843
Sausages:				
Except canned	246	245	1,107	2,579
Canned	71	62	596	583
Baby food, canned	157	64	477	474
Other canned meats	76	180	903	1,247
Total red meats	9,797	9,624	102,076	141,446
Variety meats	12,904	20,485	103,450	145,219
Sausage casings:				
Hog	1,435	635	10,035	6,883
Other natural	1,012	548	4,257	2,787
Mohair	755	105	9,129	1,726
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	756	1,051	4,888	7,433
Calf	115	86	969	1,460
Kip	32	19	154	166
Sheep and lamb	229	165	1,838	2,145
	Number	*Number*	*Number*	*Number*
Live cattle	2,834	2,989	13,858	47,531

[1] Includes inedible tallow, greases, fats, oils, oleic acid or red oil, and stearic acid. [2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, and animal fat, excluding lard.

Belgium's Output of Tobacco Products Up

Output of tobacco products in Belgium during the first half of 1964, at 29.4 million pounds, was up 5.1 percent from the 28.0 million pounds produced during the same period last year. Production of cigarettes, cigars, and cigarillos continued to rise and more than offset declines in smoking mixtures, snuff, and chewing tobacco.

Cigarette output rose to 6.9 billion pieces from the 6.4 billion produced in January-June 1964. Cigars were up 13 percent to 150 million pieces from 132 million. Output of cigarillos rose to 492 million pieces from 387 million, but that of smoking mixtures, chewing tobacco, and snuff was down 3.6, 22.2, and 2.3 percent, respectively.

Leaf usings by manufacturers totaled 33.4 million pounds—up 5.6 percent from the 31.6 million used in January-June 1963. Domestic leaf represented 7.7 percent of total usings, compared with 6.6 percent last year. Leaf used in the production of cigarettes accounted for 55.5

percent of total usings, while that used in production of cigars and cigarillos accounted for 17.0 percent compared with 14.9 percent during January-June 1963.

Cigarette sales during the first 6 months of 1964 totaled 6.6 billion pieces—up 7.6 percent from the 6.1 billion sold during the same period last year. Sales of cigars were up 3 percent, cigarillos, 29 percent, and combined sales of other tobacco products, 0.4 percent.

Hong Kong's Tobacco Imports Rise

Hong Kong's imports of unmanufactured tobacco in January-June 1964 totaled 12.2 million pounds—up 40 percent from those of the first half of 1963.

The United States, supplying 4.2 million pounds, accounted for 35 percent of the total—the same as a year ago. The Rhodesias-Nyasaland ranked second, furnishing 3.9 million pounds. Other major sources in 1964 included Mainland China 1.1 million, India 1.1 million, Thailand 0.6 million, and Mozambique 0.4 million.

HONG KONG'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	January-June	
	1963	1964
	1,000 pounds	*1,000 pounds*
United States	3,085	4,230
Rhodesias-Nyasaland	3,145	3,919
China, Mainland	272	1,126
India	724	1,056
Thailand	106	562
Mozambique	325	360
China (Taiwan)	61	221
Australia	---	193
South Africa, Rep. of	383	17
Others	594	525
Total	8,695	12,209

Finland's Cigarette Output Down Sharply

Cigarette output in Finland for the first half of 1964, at 2,422 million pieces, was down 41.5 percent from the 4,142-million-piece total of January-June 1963. The decline was attributed to the new 10-percent sales tax effective January 1, 1964, and to an increase in the excise tax rate. The rate was raised from 67.1 to 69.6 percent of retail price on July 1, 1963. After the new sales tax took effect, the excise tax dropped to 62.3 percent of the retail price.

The average retail price of cigarettes during June 1964 was equivalent to 45.3 U.S. cents per package of 20, compared with 32.8 cents for the same month last year, a 38-percent increase.

Finland's imports of unmanufactured tobacco during the first 5 months of 1964 were down 21 percent, to 4.4 million pounds from 5.6 million in January-May 1963. Breakdown by country of origin is not available as of this date.

Poland Buys Malagasy Coffee

A Polish trade mission to the Malagasy Republic announced on September 22 that it had signed purchase contracts for Malagasy coffee, totaling about $184,000.

The visit by the six-man trade mission, which arrived in Malagasy on September 11, was the result of the Polish-Malagasy Trade Agreement, signed in June in Warsaw. This reportedly was the first step in the execution of that agreement.

Coffee production in the Malagasy Republic approximates 1 million bags annually, with France and the United States the principal markets. In 1963, U.S. purchases from Malagasy totaled 207,079 bags, valued at $5.6 million.

Ceylon's Tea Crop Smaller

Tea production in Ceylon—the world's second largest producer—totaled 297.9 million pounds during the first 7 months of 1964, down slightly from the 305.3 million pounds of the 1963 period. Production during 1963 set an alltime record of 484.6 million pounds.

Ceylon is the largest supplier of tea to the U.S. market. Last year, shipments from that country amounted to 53.5 million pounds, comprising 42 percent of total U.S. tea imports.

Malay States, Singapore Export Less Copra, Coconut Oil

Net exports of copra and coconut oil from the Malay States and Singapore during January-July totaled 2,376 long tons, oil basis, compared with 11,095 in the same period of 1963.

Imports of copra during the same period declined to 10,677 tons from 49,573, and exports declined to 2,865 from 33,515. The decreased copra trade resulted from the Indonesian confrontation policy and the countermeasures of the Singapore State Government to conserve copra supplies to meet domestic requirements. Exports of coconut oil declined sharply in the January-July period, to 7,808 tons from 22,504, and imports to 431 from 1,131. The Singapore Government permitted the export of coconut oil to all destinations as of July 6 (*Foreign Agriculture*, Aug. 3, p. 12).

Danish Oilseed Production and Trade

Denmark's oilseed production in 1964 is unofficially estimated at about 59,500 short tons—three-fifths above the 37,126 tons of 1963 but significantly below the 75,853 produced in 1962.

Rapeseed—largely a winter crop—accounted for the indicated increase, primarily reflecting increased spring seedings as well as improved yields. Because of the marked decline in mustardseed and flaxseed acreage, rapeseed in 1964 represented over 90 percent of Denmark's oilseed production.

The sharp decline in mustardseed production reflects relatively low prices which make rapeseed production more profitable. Thus, a further shift toward increased seedings of rapeseed is expected. Production of flaxseed, like mustardseed, is now of only minor importance to Danish agriculture.

Danish oilseed exports in the first half of 1964 declined to only 6,226 tons from 27,612 in the same period of 1963. This decline is the result of a sharply reduced outturn in 1963 as well as significantly smaller carryin stocks on January 1, 1964. However, exports in the last half of this year, largely from the spring rapeseed crop, are expected to rise significantly.

Danish oilseed imports in January-June 1964 totaled 252,644 short tons, 18 percent above those in the 1963 period. Imports of U.S. soybeans, at 193,242 tons, accounted for most of the increase and more than three-fourths of the total. However, 22,000 tons of Manchurian

beans were reportedly purchased for August delivery at the mill in Copenhagen. Demand for soybeans in Denmark, because of the meal fraction, is expected to continue strong during 1964 owing to the increasing number of hogs and broilers.

Cake and meal imports also gained significantly, to 523,300 tons from 436,914 in the 1963 period. Cottonseed and soybean meal imports, at 233,173 tons and 136,646 tons, respectively accounted for more than 70 percent of the total. Although relatively small, imports of peanut, coconut, and linseed meals also gained, while those of sunflowerseed meal declined.

The increased demand for cakes and meals has been stimulated by higher prices for all dairy products in addition to the increased production of hogs and broilers.

DENMARK'S OILSEED AREA AND PRODUCTION

Item and year	Harvested area	Production	January-June Imports	January-June Exports
		Short tons	*Short tons*	*Short tons*
Rapeseed:				
1961	32,701	29,804	30	0
1962	63,717	57,430	14	100
1963 [1]	43,769	29,058	15	21,824
1964 [2]	67,952	54,564	18	3,235
Mustardseed:				
1961	29,548	18,284	0	7,080
1962	37,218	17,675	0	4,728
1963 [1]	18,293	7,543	11	5,777
1964 [2]	9,637	4,519	10	2,957
Flaxseed:				
1961	3,640	1,827	3,320	195
1962	1,584	748	1,483	11
1963 [1]	922	525	2,023	11
1964 [2]	766	413	3,805	34

[1] Revised. [2] Preliminary.
Compiled from official and other sources.

DENMARK'S OILSEED IMPORTS

Item	1961	1962	1963	January-June 1963	January-June 1964 [1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Peanuts	3,094	4,367	4,526	2,852	1,775
Copra	46,750	39,876	42,192	14,976	21,970
Palm kernels	12,766	17,210	18,016	9,493	12,243
Soybeans	332,810	412,529	408,344	177,682	193,242
Flaxseed	4,539	3,708	4,698	2,023	3,805
Others	5,944	16,606	16,479	6,888	19,609
Total	405,903	494,296	494,255	213,914	252,644

[1] Preliminary.
Compiled from official data.

Malawi's Tung Outturn To Increase

Tung oil production in Malawi (Nyasaland) in 1964-65 is expected to rise slightly, reflecting some increase in the nut crop harvested in May and June of this year.

Unofficial estimates place the 1964 nut corp at 5,600 short tons compared with 4,828 in 1963 and 4,431 in 1962. Based on usual extraction rates, the oil outturn from 1964-crop nuts could exceed 1,900 tons, compared with 1,652 tons in 1963 and 1,532 in 1962.

Tung, a plantation crop, ranks second after tea as a major European-grown crop in Malawi. There are three large plantations in the country, and each has its own crushing plant. The plantations and facilities are owned by the Commonwealth Development Corporation, East Asiatic Company, and Nyasa Tea Estates. Africans themselves grow very little, if any, tung.

Although production in Malawi has shown an upward trend, the sharp fluctuations in world prices will probably discourage any marked expansion.

Malawi tung oil exports move largely to the United Kingdom, the Republic of South Africa, and Italy. Most of the remainder goes to the Far East and Europe (*Foreign Agriculture*, April 20, 1964). Exports in 1964 will probably increase slightly from the 1,360 tons exported in 1963.

Suez Canal Shipments Decline in August

Northbound movements of oil-bearing materials through the Suez Canal in August were 1 percent below those of July (*Foreign Agriculture*, September 28) and 6 percent below those of August 1963.

Shipments during the first 11 months of the U.S. marketing year ended September 30, 1964, were slightly below those of the comparable period last year. Increased shipments of copra, soybeans, castorbeans, and palm kernels were offset by declines in peanuts, cottonseed, and "other" items.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	August 1963	August 1964	October-August 1962-63	October-August 1963-64
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	9,000	47,148	90,198	157,723
Copra	75,701	60,384	657,089	729,169
Peanuts	24,169	10,851	258,697	194,770
Cottonseed	15,081	6,356	206,603	112,087
Flaxseed [2]	2,211	1,833	34,946	34,085
Castorbeans	7,694	2,564	56,258	69,213
Palm kernels	2,642	2,436	27,370	40,754
Others	7,830	4,103	123,664	99,328
Total	144,328	135,675	1,454,825	1,437,129

[1] 1 metric tons of soybeans equals 36.7 bushels. [2] 1 metric ton of flaxseed equals 39.4 bushels.
Suez Canal Authority, Cairo, Egypt.

Soybean shipments in August totaled 1,732,000 bushels, slightly less than the 1,854,000 of July. The October-August total was 5,795,000 bushels compared with 3,314,000 in the 11 months of the 1962-63 period—an increase of 75 percent or 2.5 million bushels.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1 1959	1960	1961	1962	1963
	1,000 bu.	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
July	1,176	184	180	1,070	1,854
August	808	1,470	1	331	1,732
September	772	1,102	146	184	---
October-December	8,598	919	919	12	19
January-March	13,999	6,062	4,082	1,328	1,484
April-June	8,635	1,213	239	573	706
July-September	2,756	2,756	327	1,585	---
October-September	33,988	10,950	5,567	3,498	---

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

World Copra and Coconut Oil Exports Off

Exports of copra and coconut oil from the major producing countries declined 2 percent during the first 6 months of 1964 to 520,900 long tons (oil basis) from 530,100 in January-June 1963. All of the drop was in copra exports; it was nearly offset by an increase in coconut oil exports.

The Philippines and the Malay States and Singapore were responsible for the decrease in copra shipments. Among the coconut oil exporters, there was a considerable increase in shipments from Ceylon and a smaller increase in those from the Philippines and Fiji. Exports of coconut oil from the Malay States and Singapore were sharply reduced.

EXPORTS OF COPRA AND COCONUT OIL FROM SELECTED COUNTRIES

Country	1963	January-July	
		1963	1964 [1]
	1,000 long tons	*1,000 long tons*	*1,000 long tons*
Copra:			
Philippines [2]	928.7	386.4	341.9
Indonesia [2]	104.6	51.1	70.5
Papua & New Guinea	68.1	37.5	38.0
Ceylon	43.1	17.3	27.3
Malaya, Singapore [3]	44.8	30.2	1.9
Sabah	39.7	16.0	17.5
Mozambique	45.7	23.5	23.3
New Hebrides	35.1	14.5	21.8
Total	1,309.8	576.5	532.2
Coconut oil:			
Philippines [2]	212.1	92.0	100.7
Ceylon	81.1	31.8	50.0
Malaya, Singapore [3]	36.6	17.4	6.3
New Guinea	21.2	12.0	10.0
Fiji	20.0	8.0	13.3
Total	371.0	161.2	180.3

[1] Preliminary. [2] Registered exports. [3] Gross exports.

Fishmeal Production and Exports by FEO Members

The production and export of fishmeal by the six member countries of the Fishmeal Exporter's Organization (FEO) during the first 7 months of 1964 increased 31 and 36 percent, respectively, from the levels of January-July 1963.

The six member countries account for over 90 percent of world exports of fishmeal. Peru, the world's leading producer, accounted for 68 percent of total exports by FEO countries in January-June 1964, the Republic of South Africa 9 percent, Norway 9, Chile 7, Iceland 5, and Angola 2.

PRODUCTION AND EXPORTS OF FISHMEAL BY FEO COUNTRIES

Country	Production		Exports	
	1963	1964	1963	1964
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Angola	14.2	31.5	14.6	32.1
Chile	71.4	97.3	70.5	87.0
Iceland	45.9	73.2	44.9	66.4
Norway	70.3	115.0	45.6	121.0
Peru	740.7	953.5	724.6	912.1
South Africa	176.0	189.4	90.4	127.2
Total	1,118.5	1,459.9	990.6	1,345.8

Fishmeal Exporter's Organization.

Argentine Tung Crop Damaged by Frost

An early September frost reportedly has severely damaged the Argentine crop of tung nuts to be harvested in March-May 1965.

Although it is difficult to assess the full extent of damage, production could be down as much as 30 percent from the 1963-64 crop of 119,000 short tons and markedly below the 137,800 tons of 1962-63.

Argentine tung oil production in 1965-66, from the frost-damaged nut crop of 1964-65, is forecast at roughly 12,500 tons compared with an estimated 17,900 in 1964-65 and 19,900 in 1963-64. This forecast is based on an assumed extraction rate of 15.0 percent.

Argentina ranks first in the Free World as a traditional source of tung oil.

ARGENTINE PRODUCTION OF TUNG NUTS AND TUNG OIL

Year [1]	Tung nut production	Indicated extraction rate	Tung oil outturn
	1,000 short tons	*Percent*	*1,000 short tons*
1960-61	90.4	15.0	(2)
1961-62	120.2	14.5	13.6
1962-63	137.8	14.4	17.4
1963-64	119.0	15.0	19.9
1964-65	[3]83.3	[4]15.0	17.9
1965-66	---	---	[5]12.5

[1] Year beginning August 1. [2] Outturn from nuts produced in preceding year. [3] Based on estimate of 30-percent decline. [4] Assumed. [5] Unofficial forecast.

Canadian Rapeseed Exports and Supplies

Rapeseed exports from Canada during the 1963-64 marketing year (August-July) totaled 130,284 short tons—8 percent below the 145,041 tons exported in 1962-63. This was the third consecutive decline since the record export of 203,093 tons in 1960-61. The decline reflects stock building, which was possibly influenced by a decrease in export prices as well as by a significant increase in apparent domestic consumption.

(Rapeseed production in 1963-64 increased by more than two-fifths from the previous year.)

In 1963-64, most of the export volume (83 percent of total) moved to Japan because of that country's below-average production, which was less than one-half the average for the 1955-59 period. Japan is expected to remain an important and growing market for Canadian rapeseed for edible oil purposes.

In the same year, Taiwan, Italy, and the Netherlands were nominal markets. Exports to Italy fluctuate widely from year to year, as a result of the cyclical olive oil outturn.

CANADIAN EXPORTS OF RAPESEED

Country of destination	Marketing year beginning August 1				
	1959	1960	1961	1962	1963
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States	44	360	58	966	3,155
Belgium	221	6,006	2,800	375	---
Finland	---	---	---	---	2,246
France	---	24,395	8,550	---	---
Germany, West	313	15,759	5,786	9,734	160
Italy	1,838	74,221	79,971	31,333	4,721
Netherlands	931	22,706	24,719	9,289	4,165
Spain	---	---	---	---	40
United Kingdom	181	4,228	2,363	1,820	2,296
Algeria	11,706	33,548	12,225	13,888	---
Taiwan	---	---	---	---	5,227
Japan	56,754	21,870	28,492	77,636	108,274
Total	71,988	203,093	164,964	145,041	130,284

Dominion Bureau of Statistics, *Trade of Canada.*

Canadian rapeseed supply in 1964-65 is at an alltime high reflecting a record harvest and increased stocks. Although yields were lower, production gained sharply because of increased acreage. This acreage gain was stimulated by higher producer prices received for the 1963 crop —about 5 cents per pound compared with 4 cents in the previous year.

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CANADA'S SUPPLY AND DISTRIBUTION OF RAPESEED

Item	Marketing year beginning August 1				
	Average 1956-60	1961	1962	1963	1964
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
SUPPLY					
Stocks, August 1	8.0	20.0	67.5	15.0	24.0
Production	185.5	280.5	146.5	209.0	281.4
Total supply	193.6	300.5	214.0	224.0	305.4
DISTRIBUTION					
Exports:					
Seed	134.0	165.0	145.0	130.3	---
Oil (seed basis)	2.5	1.1	.4	.6	---
Apparent domestic consumption	44.5	66.9	53.6	69.1	---
Stocks, July 31	12.5	67.5	15.0	24.0	---
Total distribution	193.5	300.5	214.0	224.0	---

Compiled from official and other sources.

Rapeseed prices this year are lower because of a substantial unsold carryover, as well as a record harvest in 1964. The wheat pool in Alberta has established an initial rapeseed payment of $1.75 per bushel compared with $2.10 set last fall. This price is for No. 1 Canadian rapeseed, basis Vancouver, handled on a pooling basis. Alberta growers may pool their crop or sell it outright at the market price which is established daily on the Winnipeg Grain Exchange. Early in September 1964, the market price for rapeseed was about $2.35 per bushel at Vancouver—about 30 cents below that of a year earlier.

Argentina's Oilseed Exports Down

Two rather disappointing oilseed crops in a row have sharply reduced Argentina's exports of vegetable oils this year. In the January-July period, total shipments of edible oils—cottonseed, peanut, sunflower, and olive—were markedly below those of the same period in 1963.

The decline reflects somewhat tight domestic availabilities. Although supplies of edible oil appear to be adequate for domestic utilization, with a small volume of olive oil available for export, some imports—possibly of sunflowerseed oil (*Foreign Agriculture*, July 27, 1964)—may be permitted to insure domestic price stability. Price controls already have been established for certain food items, including edible oils.

Argentina's exports of linseed oil declined by nearly one-third from the 1963 period. The decline reflects a government holding action despite sizable availabilities from the 1963 crop, which are believed to be only slightly below those of last year. Some increase in the rate of exports may have resulted between August 1 and November 1 before the higher Argentine export tax was enacted. However, total calendar year exports probably will remain significantly below those in 1964.

Tung oil exports in the first 7 months of 1964 were 38 percent above the comparable period in 1963. The increase reflects increased supplies from the 1963-64 outturn. Major destinations for these exports were the United States, West Germany, the Netherlands, and the United Kingdom. Availabilities in 1964-65 are expected to decline somewhat.

ARGENTINA'S VEGETABLE OIL EXPORTS

Item	1961	1962	1963	January-July[1]	
				1963	1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Cottonseed oil	3,953	7,563	2,228	2,227	--
Peanut oil	30,821	98,450	36,427	17,478	79
Sunflowerseed oil	30,989	14,897	4,352	3,346	--
Olive oil	570	9,211	7,634	5,546	1,686
Linseed oil	204,355	264,096	212,865	145,241	99,470
Tung oil	16,384	16,422	16,037	8,314	11,476

[1] Preliminary.

Compiled from *Comercio Exterior*, 1961-63, and *Frutos del País*, January-July 1963 and 1964.

Indonesia's Exports of Copra and Palm Products

Registered exports of copra from Indonesia during the first 6 months of 1964 totaled 70,527 long tons, 38 percent above the 51,122 in January-June 1963. Copra exports in June amounted to 2,500 tons, down sharply from the 20,873 exported in May.

Registered exports of palm oil in January-June totaled 50,340 short tons as against 52,649 in the first 6 months of 1963. Shipments of palm kernels rose to 22,107 tons from 16,440.

South African Output of Fish Oil Drops

The production of fish oil in the Republic of South Africa during the first 7 months of 1964 totaled 22,140 short tons, compared with 31,060 produced in January-July 1963. Production in the Territory of South-West Africa, however, increased to 44,543 tons from 12,846.

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